GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:4165
ANSWERED ON:12.08.2002
HURDLES IN DISBURSEMENT OF LOANS UNDER PMRY
P. RAJENDRAN

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government are aware that the Nationalised and Scheduled Banks refuse to disburse the amounts sanctioned to the beneficiaries of PMRY and insist on sureties and securities;

(b) if so, whether the Government propose to issue suitable instructions to the Banks to adhere to the guidelines and not to deny financial help to the applicants; and

(c) if so, the details thereof?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a): Under the Prime Minister`s Rozgar Yojana (PMRY), theindividual beneficiaries are not required to furnish collateral sureties/ securities for loans upto Rs. 2.00 lakhs for ventures under the industry sector and for loans upto Rs. 1.00 lakhs for service and business sectors. However, a few complaints relating to the demand for collateral sureties/ securities by some bank branches have been received. These complaints are forwarded to the concerned bank for verification and taking necessary corrective action.

(b) & (c): Yes, Sir. The Reserve Bank of India (RBI) has issuedinstructions from time to time to the implementing banks to adhere to the norms laid down regarding the non-insistence of collateral sureties/ securities and to disburse loans within the stipulated time.